

2 November 2017

ASX Limited
Company Announcements
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

APPOINTMENT OF CEO AND CAPITAL RAISING

Key Highlights

- **Experienced oil and gas executive and current non-executive Director Alex Parks appointed as CEO;**
- **Bowsprit Lease has been fully executed with the state of Louisiana;**
- **MoU with Pinnacle extended to 31 December 2017 and to include future projects; and**
- **Fully underwritten \$1.3 million Rights Issue to rapidly progress Bowsprit through:**
 - **Acquisition of 3D seismic & Development Planning**
 - **Independent Reserves Certification**
 - **Commencement of Farm-Out Process**

CEO Appointment

The Board of Sun Resources NL (“Sun” or “the Company”) (ASX: SUR) is pleased to announce that Alex Parks is transitioning from non-executive Director into the role of full time CEO and Managing Director of Sun. Alex has been instrumental in forming the relationship with Pinnacle and identifying and securing the Bowsprit Oil Project and has the experience, drive and expertise to lead Sun as the Company moves toward establishing production and cashflow in the process of reinvigorating its operations.

Details of Mr Parks’ experience and expertise, as well as his remuneration package, are summarised at the end of the release. The Company will complete an Employment contract with Alex shortly.

Bowsprit Lease

Sun recently announced the acquisition by its wholly-owned subsidiary, Sun Shale Ventures, Inc (“SSV”) of a petroleum lease located in the shallow protected transition zone waters of Breton Sound, St Bernard Parish, Louisiana, close to existing infrastructure. The proposed extraction of petroleum from the State Lease (which the Company has named the Bowsprit Oil Project (see ASX release 14 August 2017)) is a conventional, light oil re-development project that has previously produced sweet oil¹. Sun has now fully executed the Lease with the State of Louisiana. The lease agreement has no capital commitments, but annual lease payments of \$87,500 are payable for each of the second and third years if a well has not been drilled.

¹ Sun has records from 1960 to 1967 showing oil total production of 75,067 bbls from the sand at ~7,400ft

Bowsprit Project Joint Venture Agreements

By a Memorandum of Understanding dated 27 June 2017 (as amended on 18 September 2017) between Pinnacle Energy International (USA), Inc (“Pinnacle USA”) and SSV, Pinnacle and SSV have agreed to jointly pursue development of the Bowsprit Oil Project by entering into a joint operating agreement (**JOA**) initially on a 50:50 basis, subject to the injection of additional equity to develop the Project.

Pinnacle USA is a wholly-owned subsidiary of Pinnacle Exploration Pte Ltd (Singapore). For the purpose of holding its interest in the State Lease and to enter into the JOA, SSV has established a special purpose vehicle, Sun Louisiana, LLC (“Sun Louisiana”).

Pinnacle USA and Sun Louisiana also intend to enter into an “Area of Mutual Interest Agreement” (AMI). It is contemplated that further projects in the area will be reviewed and acquired over the next 2 years, on the basis of 75% Sun and 25% Pinnacle, with Sun bearing 100% of the leasing costs.

Sun has agreed that, following a successful fund raising, Sun will invest a further \$150,000 in Pinnacle (total of \$200,000 including \$50,000 already invested) in exchange for Pinnacle Shares. Further details on the project are included in the investor presentation released concurrent with this document.

Fully Underwritten Rights Issue

The **Company** is also pleased to announce a non-renounceable rights issue to Eligible Shareholders on the basis of three (3) New Shares for every four (4) Shares held at the Record Date at an issue price of \$0.004 each to raise up to \$1,296,742 (before costs) together with one (1) free Attaching Option for each two (2) New Shares allotted with each Attaching Option exercisable at \$0.006 on or before 31 May 2019 (“**Entitlement Offer**”).

The Entitlement Offer is to be fully underwritten by Patersons Securities Limited and is partially sub-underwritten by the Directors of the Company for a combined amount of \$135,000. The prospectus for the issue is expected to be lodged later today along with the execution of the Underwriting Agreement.

Shareholders on the Record Date with a registered address in Australia or New Zealand, whom are eligible under all applicable securities laws to receive an offer under the Entitlement Offer, will be eligible to participate in the Entitlement Offer (“**Eligible Shareholders**”).

The Entitlement Offer will be undertaken pursuant to a prospectus which will be sent to Eligible Shareholders on or around 14 November 2017 in accordance with the indicative timetable set out below. The Directors recommend Eligible Shareholders read the prospectus carefully before deciding whether to proceed. The Entitlement Offer is non-renounceable and rights will not be traded on the ASX or otherwise transferable. Eligible Shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value in respect of those entitlements not taken up

The purpose of the offer

On 14 August 2017, the Company announced the successful award of a new 1,000acre lease (Bowsprit) in the shallow protected inland waters of Louisiana, approximately 70km south east of New Orleans. The Company has a 50% working interest in the Bowsprit Project and is the also the Operator.

The Directors intend to apply the proceeds from the Entitlement Offer to:

- (a) progress the Bowsprit Project by:
 - purchasing multi-client 3D seismic data available over the Bowsprit Project lease and surrounding areas;
 - undertaking technical studies for detailed evaluation and development planning of the Bowsprit Project;
 - commissioning an Independent Certified Petroleum Resource Report; and
 - paying costs associated with promoting and farming out the project;
- (b) meet the Company's obligations under the Memorandum of Understanding entered into with Pinnacle in relation to the Bowsprit Project;
- (c) repay the loans made by the Directors to the Company to fund the Bowsprit Project lease acquisition and the Company's interim working capital requirements;
- (d) meet the Company's general working capital requirements going forward; and
- (e) pay the costs of the Entitlement Offer.

Indicative Timetable

The proposed timetable for the Entitlement Offer is as follows:

Event	Date
Announcement of Offer and lodgement of Appendix 3B with ASX	Thursday, 2 November 2017
Lodgement of Prospectus with ASIC	Thursday, 2 November 2017
Notice to Option holders	Friday, 3 November 2017
Notice to Shareholders containing Appendix 3B information	Monday, 6 November 2017
Shares commence trading on an ex rights basis	Thursday, 9 November 2017
Record Date for the Offer	Friday, 10 November 2017
Prospectus despatched to Shareholders	Tuesday, 14 November 2017
Opening Date of the Offer (9.00am Perth time)	Tuesday, 14 November 2017
Closing Date of the Offer (5.00pm Perth time)	Tuesday, 5 December 2017
Company to advise ASX of any Shortfall	Thursday, 7 December 2017
Expected date of issue of New Securities	Friday, 8 December 2017
Commencement of trading of New Securities on ASX	Monday, 11 December 2017
Expected date of despatch of holding statements for New Securities	Thursday, 14 December 2017

The above timetable is indicative only and subject to change. The Company reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. An Appendix 3B for the New Shares and Attaching Options to be issued under the Entitlement Offer follows this announcement.

Short Term Working Capital Loans

On the terms announced on 14 August 2017, the Directors of Sun agreed to support the Company with secured short term working capital loans to an aggregate amount of A\$165,000 and to defer the payment of all Directors' Fees until additional capital is raised by the Company. The Company has received a waiver from the ASX allowing the Directors' Loans to be secured without shareholder approval.

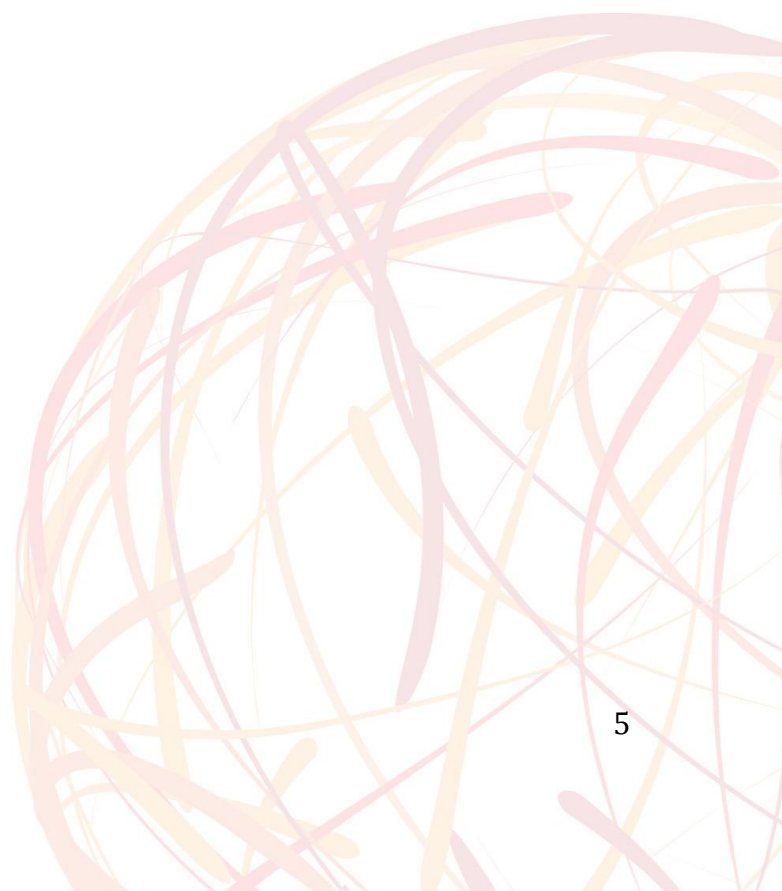
Commenting on the release,

Ian McCubbing, Chairman of Sun said, “The team at Sun has been working hard behind the scenes with Pinnacle to re-position the Company, that hard work is now coming to fruition. We look forward to raising our profile and delivering on the Bowsprit project. I welcome Alex into the role of Managing Director and feel confident in his ability to lead Sun in the coming years”

Yours faithfully
SUN RESOURCES NL



Craig Basson
Company Secretary



Mr Alexander Parks Bio

GAICD, MEng

Experience and expertise

Mr Alexander Parks was appointed to the Board as a Non-Executive Director on 18 February 2016. Mr Parks is an energy expert with over 20 years' of experience in the oil and gas industry, commencing as a petroleum engineer with RPS Energy Australia (formerly Troy-Ikoda, UK & Australia) in 1997. Mr Parks has managed companies and company projects in Australia, SE Asia, North America, New Zealand, Europe, FSU and North Africa. Projects have included onshore and offshore exploration, development, production and significant new ventures and transactions. Recently Mr Parks has focussed on building a sound knowledge of unconventional oil and gas plays in North America.

Mr Parks has a Petroleum Engineering degree from Imperial College, London, is a member of the Society of Petroleum Engineers (SPE), is a Member of both the Petroleum Exploration Society of Australia (PESA) and Australian Institute of Company Directors (GAICD). Mr Parks is currently a Director of Tamaska Oil & Gas Ltd (ASX:TMK) and TMK Montney Ltd. He has previously held the positions of Chief Commercial Officer at Cue Energy Resources Ltd, CEO of Mosaic Oil NL, CEO of Otto Energy Ltd and Technical Director at RPS Energy.

Mr Parks currently holds 5,000,000 listed options in the Company.

Mr Parks' Remuneration Package effective 1 December 2017

Mr Parks' remuneration is significantly performance based, designed to minimise cash cost to the company, and to align objectives that should benefit the shareholders. The near-term incentives are based on achieving key development milestones of the Bowsprit project.

Annual Base Salary (including Superannuation) of \$260,000- reviewed annually

Fixed Performance Incentives (subject to Shareholder approval at next AGM)

- 7.5 million Performance Rights vesting on successful farming out (or full funding) of Sun's share of the first Bowsprit well
- 7.5 million Performance Rights vesting on spudding of the first Bowsprit well (no later than 31 December 2018)
- \$50,000 bonus and 15 million Performance Rights vesting on achieving 60 days of commercial production within a 75 day period

Termination - The Company may terminate the executive's engagement:

- 'for cause' with immediate effect, with only statutory accrued entitlements.
- 'without cause' by giving 6 months' notice, or salary in lieu with associated benefits

Transition remuneration to 30 November 2017

- A\$1,500 per day worked on a part time basis until 1 December 2017.